

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6722

BILL NUMBER: SB 439

NOTE PREPARED: Dec 18, 2003

BILL AMENDED:

SUBJECT: Public Safety Communications Systems District.

FIRST AUTHOR: Sen. Zakas

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
☐ FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill authorizes a county containing a second class city to create a public safety communications systems district as a special taxing district in the county.

Effective Date: Upon passage.

Explanation of State Expenditures: The state pays Property Tax Replacement Credits (PTRC) in the amount of 60% of school general fund levies attributable to all property and 20% of the portion of all operating levies (including the remaining 40% of the school GF levy) that are attributable to real property and nonbusiness personal property. Homestead Credits are paid by the state in the amount of 20% of the net property tax due on owner-occupied residences.

If the property tax levy rises as a result of this bill, then the state's expense for PTRC and Homestead Credits would also increase. PTRC and Homestead Credits are paid from the Property Tax Replacement Fund, which is annually supplemented by the state General Fund. Therefore, any additional PTRC or Homestead Credit payments would ultimately come from the state General Fund. The additional state expenses could be as much as \$2.3 M in FY 2006 (partial year) and \$7 M in FY 2007 and subsequent years depending on the area served and tax rate adopted.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: This bill would allow 14 additional counties to establish public safety

communications systems districts. If the districts existed in 2002, and the boundaries of the special taxing districts were coterminous with those of their respective county, the tax would have been based on an assessed value of \$57 B. Statute requires the tax to be no more than \$0.05 per \$100 of the assessed value of the property located within the district. The resulting gross tax levy for the districts would have been as much as \$28.5 M (See table below). This bill would first be effective with property taxes paid in CY 2006.

County Average Assessed Value and Gross Tax Levy at 5%

County	2002 Assessed Value	Gross Levy @ 5%
Allen	\$ 9,984,972,264	\$4,992,486
Delaware	\$ 2,512,009,610	\$1,256,005
Floyd	\$ 1,889,018,870	\$944,509
Grant	\$ 1,674,446,405	\$837,223
Howard	\$ 3,287,330,805	\$1,643,665
Lake	\$ 9,518,126,716	\$4,759,063
La Porte	\$ 2,882,228,865	\$1,441,114
Madison	\$ 2,603,696,931	\$1,301,848
Monroe	\$ 2,957,413,767	\$1,478,707
St. Joseph	\$ 5,969,800,000	\$2,984,900
Tippecanoe	\$ 4,822,001,150	\$2,411,001
Vanderburgh	\$ 4,585,812,210	\$2,292,906
Vigo	\$ 2,597,228,030	\$1,298,614
Wayne	\$ 1,724,683,918	\$862,342
Total	\$57,008,769,541	\$28,504,385

Currently, existing state statute allows Elkhart County to have a public safety communications systems district. The district encompasses the county, however, the cities of Elkhart and Napanee are not included. The district assessed a tax of \$0.0247 per \$100 of assessed value in 2002 to fund the district's personnel and operating costs. Revenue from the tax is deposited into a fund separate from the county's general fund. The district also uses 911 surcharges to pay for new technology and equipment.

State Agencies Affected:

Local Agencies Affected: Allen, Delaware, Floyd, Grant, Howard, Lake, LaPorte, Madison, Monroe, St. Joseph, Tippecanoe, Vanderburgh, Vigo, and Wayne counties.

Information Sources: Local Government Database; Sheila Malone, Director, Elkhart County 911 Center, (574) 535-6513; Stephen Malone, Elkhart County Auditor.

Fiscal Analyst: Valerie Ruda, 317-232-9867; Bob Sigalow, 317-232-9859.